

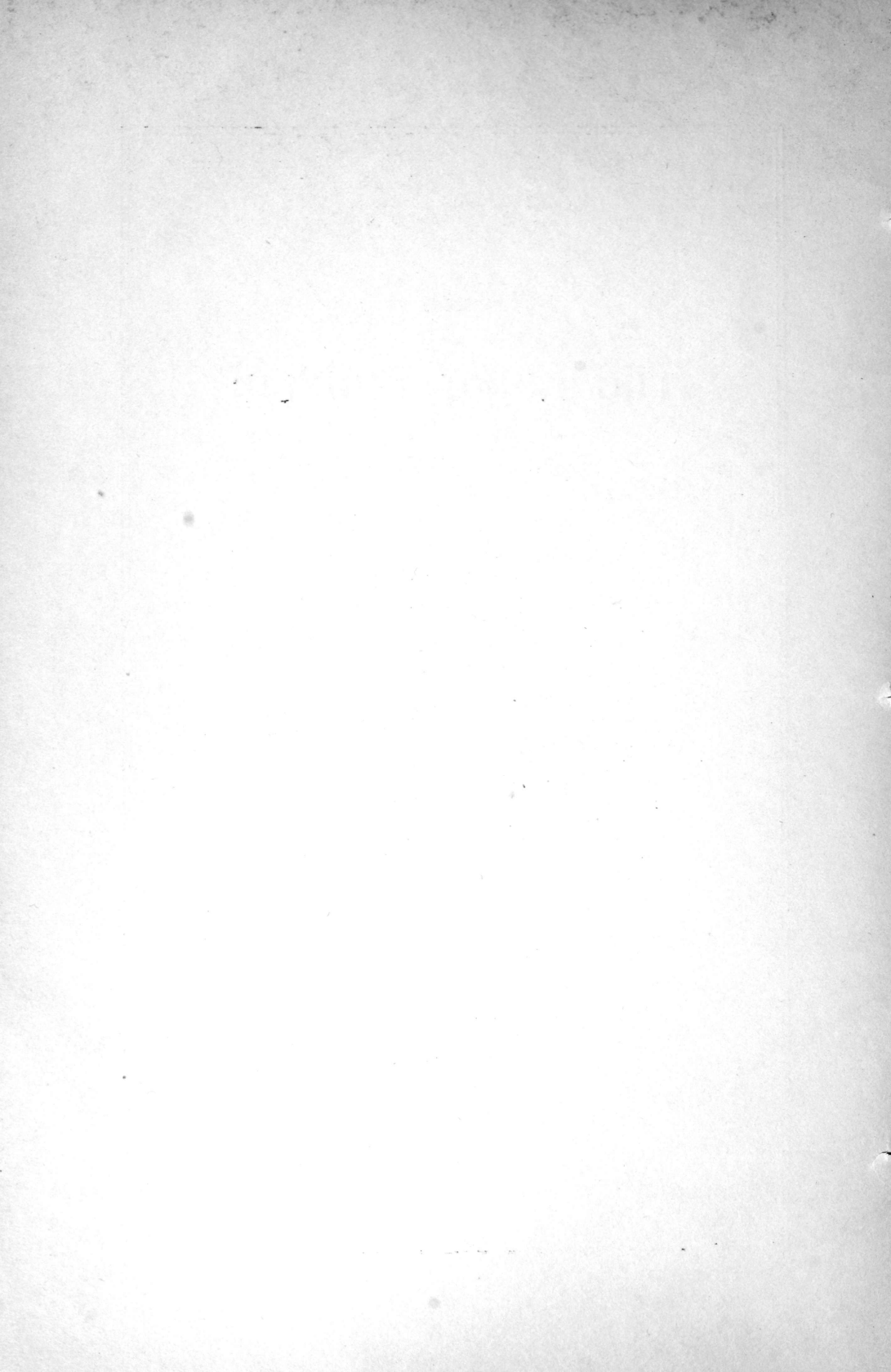
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Elements of

The Labor Problem

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/ BOSTON, MASS. /



ELEMENTS OF

THE LABOR PROBLEM

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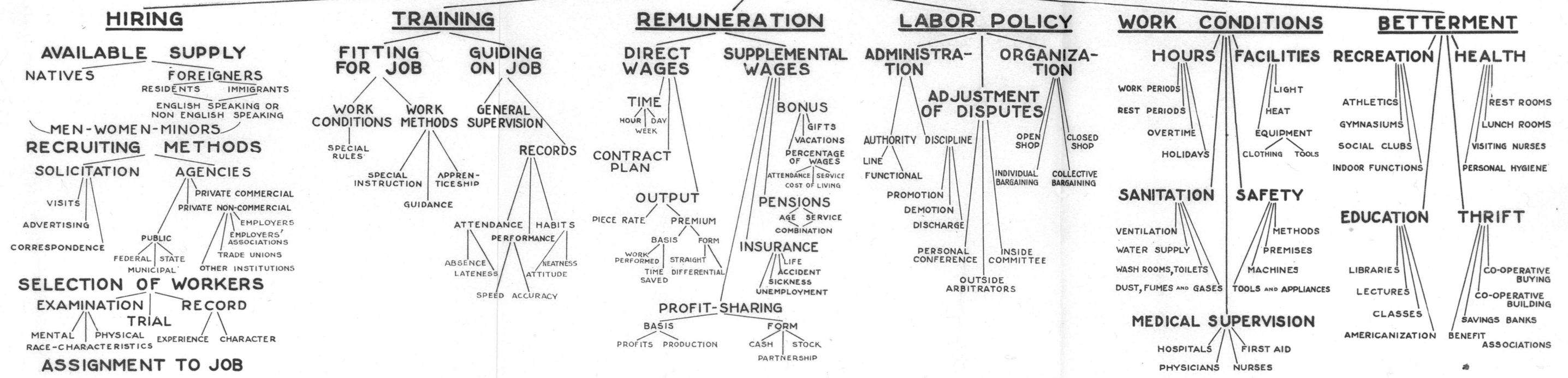
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BOSTON, MASS.

WORK
THE LABOR PROBLEM
SOCIAL ECONOMIC POLITICAL
EMPLOYMENT RELATION



GOAL
INDIVIDUAL OPPORTUNITY LABOR LOW TURNOVER HIGH PRODUCTIVITY LOW WASTE HIGH MORALE
CONTENTMENT

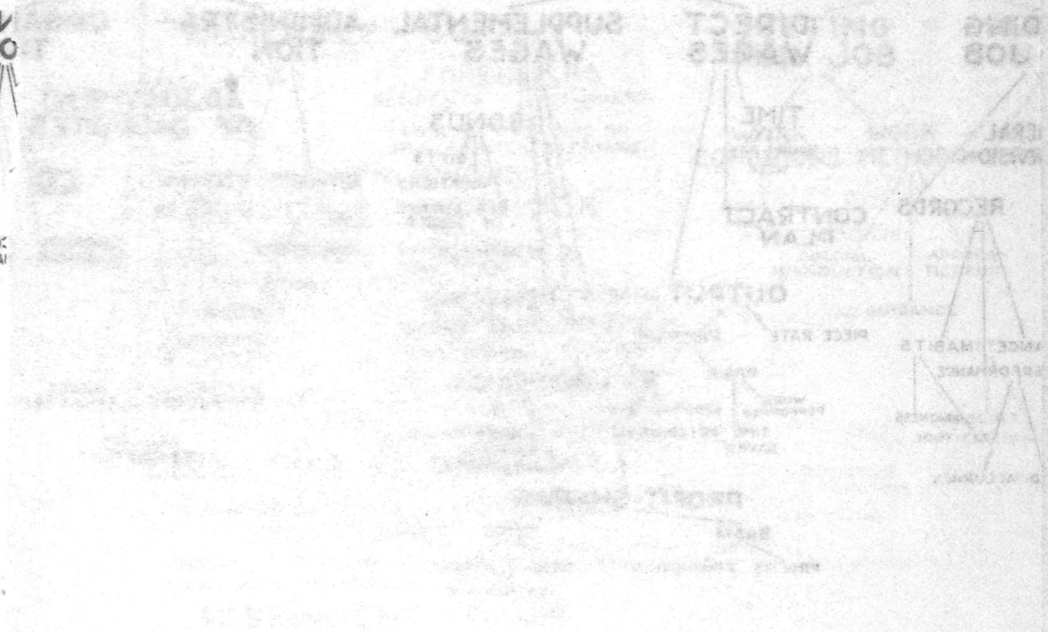
WORK

THE LABOR PROBLEM

SOCIAL ECONOMIC POLITICAL

EMPLOYMENT RELATION

REWARD REMUNERATION LABOR POLICY



GOAL

LOW HIGH LOW HIGH
PRODUCTIVITY PRODUCTIVITY PRODUCTIVITY PRODUCTIVITY

CONTENTMENT

Elements of the Labor Problem.

The old fable "The Blind Men and the Elephant" points a lesson applicable to the subject under discussion.

Six blind men of Hindostan agreed to describe the shape of an elephant from the impressions gained by touching him. The first came in contact with the elephant's broad, sturdy side, and was sure he was very like a wall. The second felt his tusk, and thought him like a spear. The third grasped him by the trunk and declared he was like a snake. The fourth got hold of his knee and therefore imagined he was like a tree. The fifth touched his ear and claimed that he was built like a fan; while the sixth seized his tail and was convinced he was shaped like a rope. Then the six blind men, each according to his own impression, sharply disputed with one another the elephant's shape, and "each was partly in the right and all were in the wrong."

In similar manner we are too prone to view many problems from our own particular angle and to consider them to be like that small part with which we are intimately familiar.

With this thought in mind I shall endeavor to outline the Labor Problem as a whole, separate it into its chief elements, and show their relation to each other, so that, as men who can see, we may view the problem both in its component parts and in its entirety.

What is the Labor Problem? The answer to this question

An address delivered at the Joint Session of the National and American Cotton Manufacturers' Associations, New York City, May 2, 1918.

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must come from a consideration of *Work* as an element in life. Our life is a development, the unfolding of the faculties with which we are endowed. Its primary purpose, aside from the perpetuation of the race, is the exercise of these mental and physical faculties by work, so that growth and constructive development may result, with rest and recreation playing their necessary part in rounding out life to its fullness.

Work is both an instinct and an economic necessity. Through it we must produce the things necessary for the sustenance of our own lives and comfort, and the lives and comfort of others; we are therefore compelled to enter into a series of common relations, social, political and economic. It is the total of these relations, in their functioning and interaction, which constitutes *The Labor Problem*.

In its *Social* aspect, the Labor Problem is concerned with the reaction of the work relationship upon the individual and the community in which he lives and labors. It becomes a matter of the recognition of social duties as well as the maintenance of economic rights, and expresses itself in the common law and uncommonly accepted ethics.

In its *Political* aspect, the Labor Problem is the concern of organized government. In its care for the moral and physical fibre of the community, in its maintenance of justice and equity, government intervenes in a regulative way in the work relationship through a body of Labor Laws.

In its *Economic* aspect, the Labor Problem is concerned with the relation between those who manage and those who are managed in the course of their common work. This relation is often, but wrongly, called the Labor Problem; it would be more correctly termed the *Employment Relation*, in which management and men are the factors which play upon each other, must respond to each other, and be responsive to the needs and demands of society of which they are a part.

If, as stated, Work is the natural means of sustaining life, then it is our duty and must be our aim so to organize work that it will redound to the general *Contentment* of all engaged in it.

The particular interest of industrialists in the Labor Problem lies in its Economic aspect, namely, the Employment Relation. An outline of its chief phases and their principal elements and relationship, and an analysis of their importance and significance will serve to clarify the problem and help to promote its equitable solution.

The six chief phases of the *Employment Relation* are: *Hiring* of Workers, *Training* of Workers, *Methods of Remuneration*, the *Labor Policy* governing their employment, *Work Conditions*, and *Betterment* in employment.

The *Hiring* of Work ers should be predicated on a knowledge of the *Available Supply*; on *Recruiting Methods* for tapping the supply; on proper *Selection of Workers* for the jobs for which they are wanted; and on their *Assignment to Jobs*.

The *Available Supply* consists of *Natives* and *Foreigners*. The latter may be naturalized or un-naturalized *Residents* of this country or recent *Immigrants* and, moreover, may be sub-divided into *English-Speaking* and *Non-English-Speaking* persons. In order to deal with immigrant labor, knowledge and observance of immigration laws is necessary. In respect to Non English-Speaking persons, it is our obvious duty to teach them to speak, read and write ordinary English. Whether English-speaking or not, all foreigners should be put through a process of Americanization so that they may learn to understand and appreciate the institutions and ideals of this country, and to work in conformity with the spirit of the Nation.

Americanization of foreigners may be considered to be a function either of employers or of special agencies or of the community in which they live. Personal and local considerations will determine the best procedure, but my experience leads me to believe that, whereas employers of foreigners should largely bear the expenses of Americanization, better results are generally achieved if this educational process is conducted under supervision of specially organized agencies, or of a community through its public school system, its religious agencies, the Y. M. C. A., or similar organizations.

When Foreigners have been Americanized they may, for purposes of employment, be considered on a parity with Natives; the combined supply may then be divided into *Men*, *Women* and *Minors*. Special laws in most states govern employment of Women and Minors in relation to work hours and to special work conditions. No such laws apply generally to employment of Men, except in a few extra hazardous occupations.

The exigencies of the war, withdrawing large numbers of men from productive labor into the fighting forces of the country, but at the same time requiring an even greater total production than heretofore, necessitate the substitution of women for men in many fields of production. Added attention must therefore be paid to the hiring of women and to the establishment of such work conditions as will protect their health and safety. Experience in England with the wholesale employment of women in places previously occupied by men may well be studied carefully. The consensus of opinion of English employers is an encouragement to like experiments in our country.

Next comes the question of how to tap this supply of workers. This may be done through the *Recruiting Methods of Solicitation* and of special *Agencies*.

Solicitation may consist of *Visits* to factories by those seeking employment, or by agents of the employers to homes and other places where workers may be found; of *Advertising* for workers in newspapers, magazines and posters; and of *Correspondence* with prospective employees.

Employment *Agencies* may be *Private-Commercial*, *Private Non-Commercial*, or *Public*. Public Agencies may be maintained by *Federal*, *State* or *Municipal* authority. Private-Commercial Agencies are diminishing in number and influence, being crowded out by Public and Private Non-Commercial Agencies. The latter group comprises regular Employment Departments of individual *Employers*, of *Employers' Associations*, of *Trade Unions* and of other organized *Institutions*. Through these latter agencies, workers may secure employment usually without

expense; the cost is borne either by individual employers or by associations conducting the agencies.

Selection of Workers is naturally the next step in securing a working force. Selection may be by *Examination*, by *Record*, and by *Trial*. Examination refers to the general appearance and *Mentality* of the worker ascertained through interviews, to *Physical* capacity for the specific work as established by his physical examination, and to *Race Characteristics*. It would be obviously unwise to expect Russian Jews as a class to be proficient in high-grade mechanical work, whereas Scandinavians as a class possess natural ability for such work.

Enactment of workmen's compensation laws in various states, which place on the employer the cost of such injuries to workers as arise in and out of the employment regardless of fault of the injured, has forced employers to safeguard this new liability through physical examination of applicants for employment in order to select workers according to their physical fitness, as well as for their knowledge and experience; also in order to record such physical impairments and defects as the worker may bring into his new employment. Early opposition on the part of labor unions to physical examination of applicants for employment is gradually disappearing as the workers learn to appreciate the value to themselves of knowing their physical condition and of being assured that they will be assigned only to those jobs for which they are physically adapted.

The *Record* which the employer desires to consult in the Selection of Workers relates to their *Knowledge, Experience, Character, and Conduct*. In most cases testimonials in possession of the workers, or readily secured on application to previous employers, will establish this Record, in addition to information brought out in the course of an interview or through correspondence.

In selecting skilled mechanics, draftsmen, stenographers, clerks, etc., the employer may admit the applicant to a *Trial* before determining his selection or rejection.

When the necessary workers have been selected, they must

then be assigned to their respective jobs. *Assignment to the Job* terminates the functions of *Hiring* and introduces the problem of *Training* of Workers.

The two important elements of the latter problem relate to *Fitting Workers for the Job* and *Guiding Workers on the Job*. The fitting process is concerned with prevailing *Work Conditions* and with established *Work Methods*. Verbal or printed statements at the time of hiring or subsequently, outlining *Special Rules* in respect to hours of labor, method and time of wage payments, general organization and discipline, ideals of the establishment and similar conditions, are the chief means of acquainting employees with Work Conditions which they should know. In regard to Work Methods, differentiation between Skilled and Unskilled Workers must be made. *Guidance* by foremen and superintendents during the progress of work will suffice for the former; *Special Instruction* of short duration but sometimes frequently given, will meet the needs of the latter. Young persons who are to master a trade must have a regular *Apprenticeship* of several years' duration.

While this fitting process is going on, workers must have *General Supervision* from their foremen and superintendents. In addition and as an aid to these supervisors, *Records* are sometimes kept which in the main relate to *Attendance* of employees, showing *Absences*, *Tardiness* and *Overtime Work*; to *Habits*, such as *Neatness*, *Cleanliness*, and *Attitude* toward work, co-workers and superiors; and to *Performance* in respect to *Speed* and *Accuracy* of work.

The third phase of the Employment Relation, as already stated, concerns itself with Methods of *Remuneration*. In the main, workers may be remunerated by *Direct Wages* alone or by *Supplemental Wages* in addition. The determining basis of the Direct Wage is *Time* or *Output*. Accordingly, workers are paid fixed time rates per *Hour*, *Day*, *Week*, or *Month*; or their work is remunerated according to a predetermined value of the labor on each piece of work or of each work operation correctly completed—the *Piece Rate* system; or payment is

based on completion of a job by one or more workers without special regard to time expended, and either accomplished on the premises and with the facilities of the employer or otherwise — the *Contract Plan*; or remuneration is calculated according to an established *Premium* system. The latter may have as its basis the *Time Saved* in a given operation or the *Work Produced* in a given time, while its form may be *Straight* or *Differential* in character.

The system of *Time* payment is most generally in vogue. The *Contract* system lends itself only to a limited field of work. Where the same operation is repeated frequently, *Piece Rate* payments prevail. This wage system requires a minimum of supervision, for the worker is provided with an incentive to earn more by exerting increased effort. The perplexity with, and the dissatisfaction growing out of, this method, however, lie with the difficulty and often the unwillingness to predetermine accurately the value of work operations. Collateral factors enter into the calculation, such as machinery and tools available and the time required for getting the special operation under way. The difference in physical characteristics of materials to be worked is another factor that often puts the speed of operation beyond the control of the operative; sometimes it even nullifies the value of his work before it is completed, as when defects in material appear during the operation.

Because of inability and more often because of unwillingness to predetermine with exactness the time required for work operations, management and operatives have entered into practices which have been conducive neither to maximum production nor to general contentment. The management often arbitrarily reduces piece work rates when excessively high earnings of operatives prove that these rates were set too high at the outset. Operatives, as a measure of self-defence and retaliation, frequently hold back their full effort in order not to reveal the possibilities of greater output and thus provoke the management to reduce piece work rates.

Out of this condition various methods of wage payments have grown, termed *Premium* systems. Whatever their modification,

they can all be reduced to the basis of either determining the *amount of time* within which the average man should complete a piece of work, paying him in full or in part for the *time saved* in such performance by a fixed time rate or otherwise; or of determining the *amount of work* the average man should turn out in a given time, paying him a special rate for the work over-produced during that time. When the extra payment for time saved or for over-production is in exact proportion to the basic payment for time or work, the premium system is called a *Straight* premium system; it is classified as a *Differential* system when this payment is in diminishing or increasing proportion. The justification for the diminishing payment basis is the claim on the part of the management that the capital invested in equipment and material is entitled to a wage as well as the workers using it. The Halsey, the Rowan, the Taylor and other premium systems reflect efforts to counteract certain inequities and undesirable tendencies common to straight piece rate payments.

Supplemental Wages may assume the form of *Bonuses*, *Pensions*, *Insurance*, and *Profit Sharing*. Bonuses may be arbitrary *Gifts* paid in such amounts and at such times as may be decided by the management; they may be in the form of *Vacations* with full pay; they may be additional *percentage* of *Wages* in response to an increased *Cost of Living*, or to increased wage schedules in the community; and lastly, they may be a reward for regularity of *Attendance* during a certain period, or for continuity of *Service*.

It has long been general practice to allow vacations without loss of pay to office employees and to supervisory officials. The practice is now being extended to cover operatives as distinct from office employees, when they have been in continuous service for a specified length of time. In some establishments, all operatives, regardless of their position, nature of work, or form of remuneration, are allowed a full week's vacation with pay after ten years of continuous service, and in other establishments the length of vacations is graded in direct proportion to the number of years of continued service above two years,

and then usually amounts to one day for each two years of such service with a maximum vacation of two weeks. This method introduces an element of appreciation for steady service into the vacation problem and in the long run ought to prove a justified expenditure.

Pension and *Insurance* rights are sometimes offered as a supplemental wage, partly in response to humanitarian considerations, partly to attract desirable workers and to prolong their period of service. They may be looked on as deferred wages and are, in effect, a promise to pay wages from a reserve fund when certain conditions arise.

Pensions are usually payable when operatives reach a specified *Age* or when they complete a specified period of *Service* or both. Sometimes the employer bears the whole cost; in other instances operatives contribute a more or less proportionate share of the cost.

Insurance benefits similarly accrue to operatives entirely at the expense of either the management or the operatives, or at the joint expense of both. These benefits may take the form of *Life Insurance*, payable at death and sometimes providing certain cash values before death; or of *Accident, Sickness* or *Unemployment Insurance*. Wherever workmen's compensation laws are in effect, (and most States are now operating under such laws), the total cost of insurance against accidents arising during employment and growing out of it, is borne by the management except in so far as the difference between the part wages and full wages during the period of disability, and the non-payment of any wage at all during the so-called waiting period, may be considered a partial cost burden of such insurance on injured workers. As against this, it may be claimed that payment of benefits during disability, both in form of partial wages and of medical and hospital service, even in cases where the accident in employment was entirely the fault, although not the intentional fault of the operative, offsets on an average what otherwise may be construed as a cost participation by the operatives. In any event, operatives who do not suffer accident in employment do not bear any insurance expense of this kind.

To provide insurance benefits for disability arising outside the employment or for disability due to sickness not covered by workmen's compensation laws, and for wage loss during unemployment, various plans are in vogue. These vary from those where the management bears the entire insurance expense, to those where the whole cost, except that of administration, is borne by the workers. The cost and effectiveness of these systems depend largely on the way in which they are applied and administered.

Finally, *Profit Sharing* is perhaps the most significant element of supplemental remuneration; it is also farthest from satisfactory general application. In the main, profit sharing payments are governed by the *Cash Profits* or the *Total Production* of a business during a given period, usually a year. The production basis would seem more equitable, for most workers are powerless to effect profits which, in a measure, are dependent on business conditions and the buying and selling sagacity of the chief executives, whereas practically every worker can directly by his own effort contribute to total production. Profit-sharing most often assumes the form of a *Cash* distribution and sometimes results in participation in ownership of a business either through shares of *Stock* or *Partnership* certificates.

Some interesting experiments in Profit Sharing have been worked out, but it may be said truthfully that none has yet proved to be, even in its principles, generally applicable to all types of businesses or business conditions. Yet many feel that in the equitable solution of the Profit Sharing problem, lies the hope of securing the best effort and greatest contentment of all workers. The demands of workers seem to focus in their desire for greater participation in the profits of production. In some way or another, adequate concessions to this natural desire must be made, but the specific methods to be applied, in order to be equitable and socially advantageous, must stimulate honest, maximum effort on the part of each worker, with due regard to his physical and mental well-being.

To the extent to which the problem of profit sharing is solved, the new growing unrest of the workers will be met and

directed into channels that will lead to genuine human progress.

Fourth in order, but nevertheless as important as any and even more important than some of the other phases of the Employment Relation, is the *Labor Policy* governing an employment. Necessitated by the aggregation of large numbers of workers in one employment, but only in recent years recognized as an essential organized factor in management, the demand for a definite labor policy grows in proportion to the numerical strength of the work forces and to the rapidly developing complexity and impersonality in the modern method of doing business.

The *Labor Policy* may be analyzed into three principal elements, to wit: *Administration*, *Organization*, and methods of *Adjustment of Disputes*; but in its influence over practically all other elements of the Employment Relation the Labor Policy transcends the boundaries of its own sphere.

Administration comprises the prevailing plan of *Authority* and *Discipline* in a work organization. Authority may be of *Line* or of *Functional* character. In the first instance, which is comparable to a military arrangement, each worker is responsible to one superior and the latter in turn reports to his superior and so on in series arrangement until it reaches the chief executive. In the second instance, each worker may have a number of superiors in parallel arrangement, each an expert in respect to one specialized function. Thus, Frederick W. Taylor advocated functional foremanship as a part of his system of scientific management.

Discipline refers to *Promotion*, *Demotion* and *Discharge* of employees as a reward for merit or a penalty for demerit of service. Promotion may be by higher pay or better position or both, and conversely Demotion may be by lower pay or position or both.

Organization relates to the management's policy in regard to the *Open* or *Closed Shop*, *Individual* or *Collective Bargaining*. Under the Open Shop policy the management does not discriminate against the worker because of his membership or non-membership in a labor organization, nor does it recognize such

organization in any dispute or adjustment with its employees. Under the Closed Shop policy, according to whether it refers to a closed union or a closed non-union shop, the management makes membership in a labor organization the determining condition of employment. When the closed union shop policy is in force the management bargains collectively with the labor union acting for the workers, while with the closed non-union shop policy and an open shop policy the management bargains either collectively or individually with its own employees without reference to or interference by outside agencies. Collective Bargaining may therefore take place in either an open or closed shop organization, whereas Individual Bargaining is possible only in an open or a closed non-union shop organization.

As to Methods of *Adjustment of Disputes* and the establishment and reestablishment of wages, hours of work, and work conditions, the adjustment may assume a three-fold character. It may take place as the result of *Personal Conferences* between a worker and his superior, or as the result of *Inside Committee* action under which a committee representing the workers and one or more representatives of the management would decide the issues, or it may be brought about by the action of *Outside Arbitrators*. In the latter case, established public arbitration boards, or specially constituted arbitration boards composed of representatives of the management and the men, or of the labor organizations acting for them, or of both, may be the instrumentalities through which to secure the Adjustment.

Sometimes the regularly constituted courts are selected as arbitrators between management and men. As the result of war conditions, a National War Labor Board was established by proclamation of the President of the United States on April 8, 1918, composed of five representatives of employers, five representatives of organized employees, and two representatives of the public. This board is intended to deal only with major disputes and only after the established mediation agencies have failed to bring about a settlement.

The fifth principal phase of the Employment Relation deals

with *Work Conditions*, the important elements of which are *Hours, Facilities, Sanitation and Safety*, and *Medical Supervision* of workers.

Hours of Work are concerned with *Work Periods*, whether for day workers or night workers; with established *Rest Periods* during work periods; with legal and other work *Holidays*; and with *Overtime* work. In respect to the latter, it must be clearly understood whether or not workers are ordinarily expected to work beyond stipulated work periods, and on what basis they are to be remunerated for overtime work. In this connection the difference between the so-called basic work day of a given number of hours, and the workday of an equal number of hours, should be fully recognized. In the final analysis, whatever social foundation the basic workday may have, it is clearly a question of wages rather than a question of hours of labor; it does not forbid work beyond a specified number of hours per day or per week, but requires a definite increase in the wage rate for the extra hours. Its establishment has in many instances resulted in a marked decrease of production during regular hours in order to gain opportunity to finish the task during overtime at increased wages.

Rest Periods during regular work periods are worthy of consideration. For some years Rest Periods have been common in Germany, and during the war have become a more or less established policy in English workshops, principally in respect to women and minors. The English Munition Ministry, in its valuable reports on wartime production, clearly points to the productive value of a five to ten minute rest during the forenoon and an equal interval of rest during the afternoon period, when certain classes of operatives are required to stop work and sometimes even to leave their work for a short walk, thus breaking up monotony and securing physical and mental rest. Beneficial English experience has induced many American employers to introduce rest periods where women and minors are engaged in work of heavy or monotonous character. Now that we are introducing many women into work in places which men have heretofore occupied, the experience of foreign and, to some

extent, of American manufacturers with rest periods is well worth careful thought.

Naturally, the *Facilities* of a work establishment are of much concern to the workers and form an important phase of Work Conditions, as well as a potent source of efficiency and contentment. These facilities relate to natural and artificial *Light* and *Heat* and to *Equipment*, either in respect to the work *Tools* or the personal *Clothing* of the workers. Must the mechanic bring his own set of tools and instruments, and the laborer buy his pick and shovel? Must the moulder in the iron foundry furnish himself with the safe kind of shoes and leggings, and the grinder secure at his own expense proper goggles for the protection of his eyes? Must the worker in a gaseous atmosphere wear an effective respirator and pay for it, and the machine tenders in the cotton mill furnish their own soap and towels? Or are these things to be provided by the management free to the workers as a part of the expense items of production? These are questions in which the workers are vitally interested. Practice in these matters varies widely, but the tendency is toward liberal treatment of the workers by the management.

As for *Sanitation*, the *Ventilation* of work places, removal of *Gases*, *Fumes*, and *Dust*, installation of *Wash Rooms*, *Toilet Rooms*, a proper *Water Supply* and similar means of comfort and convenience for the workers, are important factors of the problem. Well known and tried methods make the right solution a matter of relative simplicity.

Similarly, the problem of *Safety* in regard to *Premises*, *Power Machinery*, *Machine Tools*, *Hand Tools*, *Fixtures* and *Appliances*, and *Methods* of teaching safety, does not offer special difficulties. Literature on this subject is so readily available and examples of effective treatment are so numerous that little excuse can be pleaded for any employer who neglects the safety of his work conditions. But whatever physical safeguard the employer may install and the employee may use to make work conditions safe, work accidents will be prevented only to a comparatively small degree unless, in addition thereto, workers are taught to exercise, and do exercise, personal caution in their work.

The educational feature of safety work is the most important part of such work; no employer has fully accomplished his safety task unless he imbues his supervisory assistants with the spirit of teaching the operatives in their daily work to use safe methods and to acquire habits of safety. The employer and his superintendents and foremen must become convinced that Protection of Workers and Production of Work are coordinate functions of management.

Closely allied to the problem of Safety and Sanitation is that of *Medical Supervision* of employees. Following a few examples of noteworthy character, American employers have, within the last decade and largely in response to workmen's compensation laws, learned to appreciate the value of this important feature and have introduced it. Some have installed organized *First Aid Methods* and *First Aid Rooms*. Some have built more or less complete *Dispensaries* and *Hospitals*, while others have done both. Some have attached *Physicians* or *Nurses* or both, to their staff, and some utilize these persons only for part service or call for them when they are needed. The right method will depend in large part on the size and nature of the work establishment and the hazard of its work, the character of the workers and the facility with which injured or sick persons can readily be taken to nearby hospitals and physicians. Whenever the right method of medical supervision has been applied, it has proved a money saver to the management and a comfort and satisfaction to it and its employees. I plead for the widest practical extension of this service so that applicants for employment may be properly examined as to their physical fitness for work, employees in service periodically reexamined for the same purpose, injured employees and those falling sick while at work may be properly cared for, all work places made hygienic and safe, and those work conditions established which will safeguard the worker from excessive fatigue.

Finally, in respect to the sixth phase of the Employment Relation, namely, *Betterment Work* by the management, the four important elements are obviously: *Recreation, Health, Education* and *Thrift*. *Gymnasiums* and other *Athletic Activi-*

ties, Social Clubs, Indoor Functions and Outings arranged by and for the workers, are a part of the recreational activities. *Rest Rooms*, principally for women and minors, *Lunch Rooms* and *Restaurants*, *Visiting Nurses*, and the exercise of *Personal Hygiene* constitute in part the health factor in employment.

Of great importance in its immediate beneficial effect is the exercise of proper personal hygiene by all workers, with resultant reduction in sickness and physical disability, therefore greater regularity of attendance at work and increased work efficiency. In this field, employers can render a social service as well as benefit their own interests. Many are already doing it through authoritative and instructive lectures and leaflets, through visiting nurses and an extension of the service rendered by the medical department.

Too few people realize, as when they have just contracted a cold, that an ounce of prevention is far better than a pound of cure. Too few people are familiar with the tooth brush or know that decayed teeth are the source of much rheumatism and that the poison filtering from them through the system retards the healing of wounds in the body. Too few people sense the importance of care and cleanliness of even a slight scratch, so that the myriads of hostile bacilli may be defeated in their first onslaught, the septic condition of the wound prevented, thereby forestalling even amputation and death.

To know these things and to act accordingly will assist the worker to conserve his own health and earning power, increase our production, and decrease his expense account and ours.

Education can be carried on in many ways, but *Libraries, Lectures, Classes* for technical as well as general education, *Special Publications* by and for the workers, and *Americanization* of foreigners may be cited as important features. *Cooperative Buying, Cooperative Building, Special Savings Banks, and Mutual Benefit Associations* illustrate the *Thrift* element in the scheme of Betterment. Many more examples could be given, more important in their effect under some conditions and less under others, but the few here cited may suffice as indicating what might properly be done by the management. How far

the management should go in instituting these features cannot be answered without knowledge of the prevailing social and work conditions in each case. That some Betterment Work should be instituted along right lines and carried on in the right spirit by each employer, is the growing conviction of all who believe that the right of one man over others in their work relation brings also as a corollary a certain social obligation on his part toward those working for him. For this reason, and also as his protection against the evils of ignorance, it becomes the duty of the manager to encourage educational progress among his workers, and liberally, by effort or money or both, to contribute to that end. This holds true especially in respect to non-English speaking employees and to all foreigners who, though conversant with the English language, are ignorant of American institutions and ideals. Since added intelligence and technical knowledge increase the worker's sphere and power of usefulness, develop loyalty where work conditions are right, and express themselves in constructive protest where work conditions are wrong, it would seem that the expenditure of time and money for educational effort only indirectly connected with the employees' work is entirely justified.

Equally justified is the teaching of thrift and self-reliance through means already outlined and through others of similar character. A thrifty workman is a better man for that.

In dealing with the subject of Betterment, I have referred only to those activities which every employer can in part or full undertake as a justified concomitant of his business. Beyond that, but equally justified by the prevailing conditions of a locality or by the personality of an employer, lies the field of Social Welfare, in which some very fine endeavors have been brought to ripe fruit—while others of equally fine conception have signally failed because of their methods of approach.

Briefly summarizing the thoughts herein expressed :

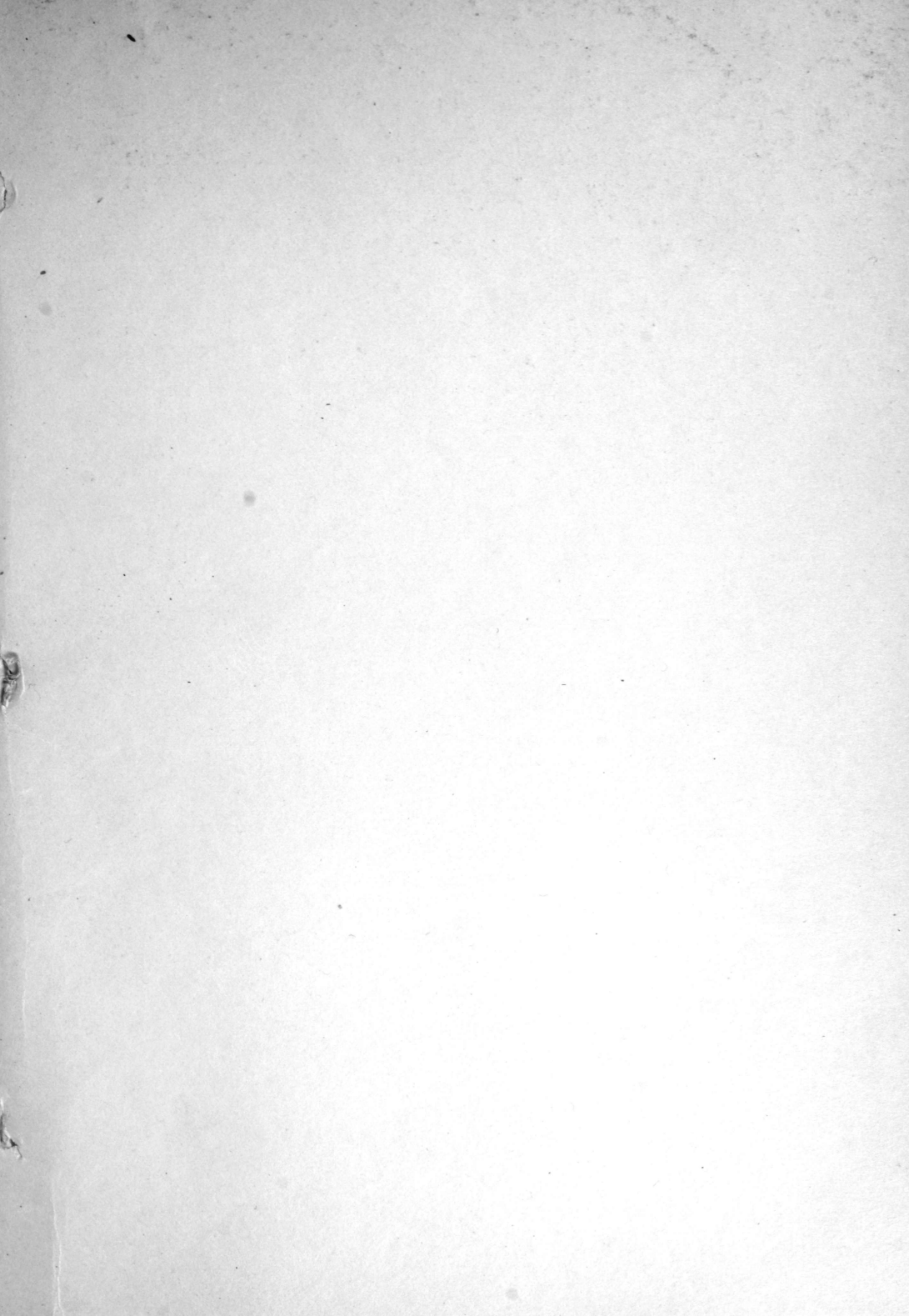
In the Employment Relation between Management and Men, the Hiring of Workers, their Training, Methods of Remuneration, Labor Policy, Work Conditions, and Betterment plans, constitute the important phases of the Labor Problem in its Economic

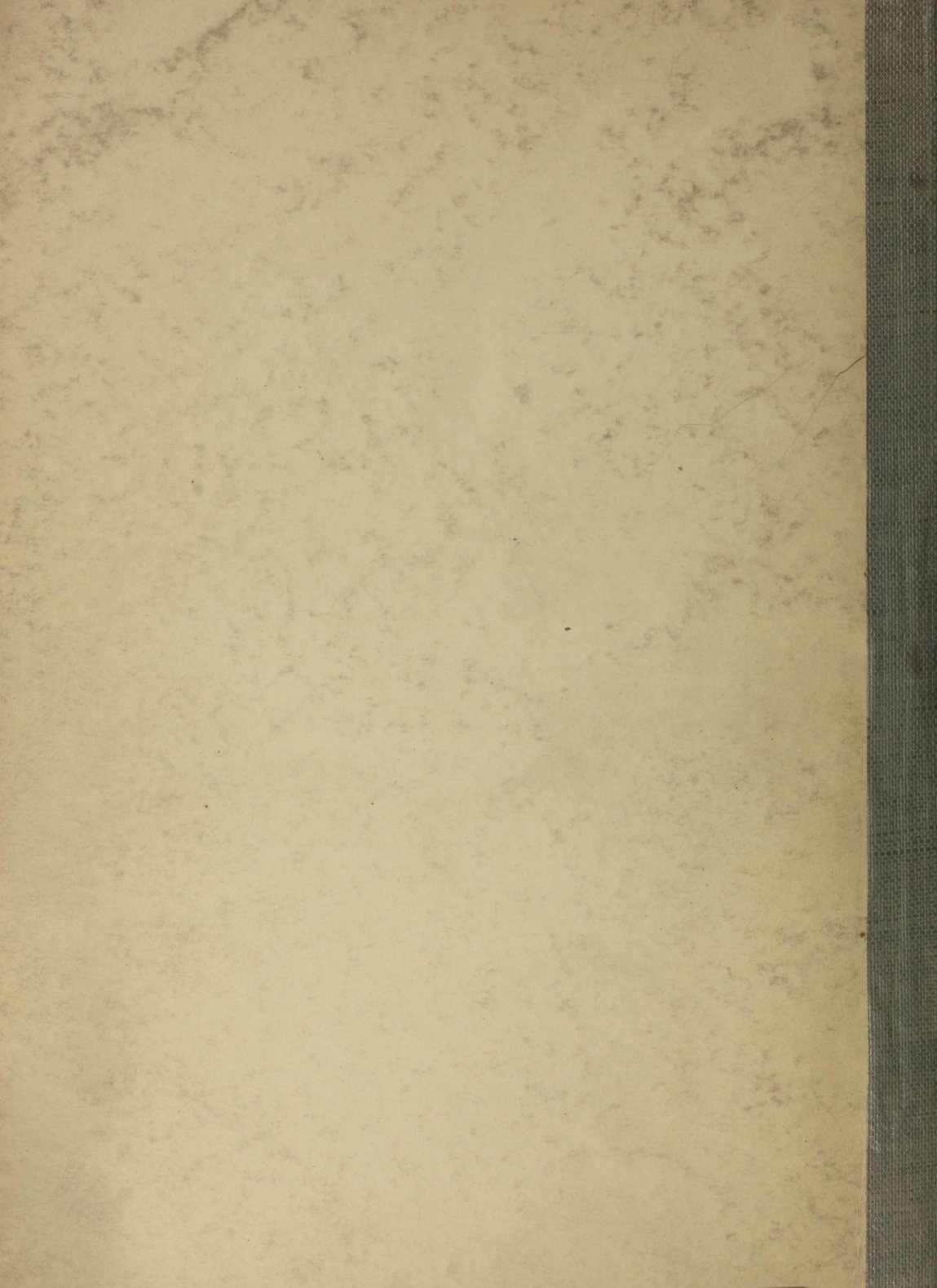
Aspect. Intelligent application of rightful methods to the treatment of these phases will bring as the *Goal: Individual Opportunity* for every worker; *Low Labor Turnover*, which means stability of employment advantageous alike to management and men; *High Productivity* and *Low Waste* and, therefore increased profits with which to institute many of the beneficial plans outlined; *High Morale* of the working force as the result of these conditions, and general *Contentment of all Workers*.

If, as previously stated, Work is the natural means of sustaining life, it is our duty and must be our aim so to organize Work that it will redound to the genuine Contentment of all engaged in the common work. Only when we are happy in our work, can we work to the best advantage, produce most, and produce it for the longest period of life. But this means that the work must be suited to our inherited and acquired capacity, and the environmental work conditions themselves must be right.

With these premises established, a Labor Policy which is economically sound, systematically organized, and takes due account of social interests will, even more than the amount of remuneration or the number of hours worked, prove the determining factor in reaching the ultimate Goal: a fully developed Personality and genuine Contentment.

Thoughtful employers are studying and working out their Labor Problem in this light; they are realizing in their Employment Relation their social obligations not less than their social rights. Employers are learning that in order to make the workers efficient as well as contented they must surround them with work conditions that are conducive to health and effectiveness, and are stimulating the inherent dormant spirit of fair play into a dynamic force of willing cooperation and rightful obedience. It is your responsibility and mine as employers and as citizens to accomplish this result, and if by earnest effort we accomplish it even only in a fair degree, we will find our reward partly in the material benefits that will flow from it, and more fully in the satisfaction that glows in our hearts at the end of a well-spent day with our duty done to the best of our ability.





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